



May 24, 2024

To

BSE Limited 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Scrip Code: 544057	National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051. Symbol: HAPPYFORGE
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Sub : Press Release dated May 24 2024, for audited Financial Results of the Company for the Quarter and year ended on 31st March 2024

Dear Sir(s)/ Madam(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Press Release dated May 24, 2024, with respect to the audited Financial Results of the Company for the Quarter and year ended on 31st March 2024

Kindly take the above information on your record.

Thanking you,

FOR HAPPY FORGINGS LIMITED

BINDU GARG
COMPANY SECRETARY &
COMPLIANCE OFFICER
M.NO.- F6997
B-XXIX-2254/1, Kanganwal Road,
P O Jugiana, Ludhiana (Pb)-141120

Regd Office :



+91 161 251 0421
+91 161 251 0422



info@happyforgingsltd.com
www.happyforgingsltd.com



BXXIX-2254/1, Kanganwal Road,
P. O. Jugiana, Ludhiana, Punjab,
CIN L28910PB1979PLC004008

India – 141120

HAPPY FORGINGS LIMITED



HAPPY FORGINGS LIMITED

Investor Release: 24th May 2024, Mumbai

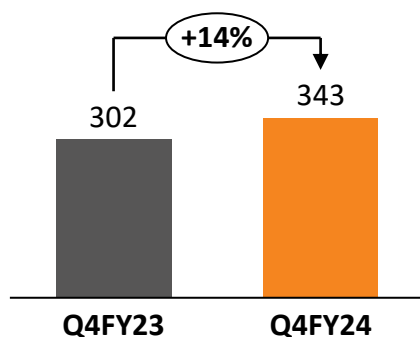
Happy Forgings Limited (NSE: HAPPYFORGE, BSE: 544057)

The Board of Directors of Happy Forgings Limited have declared its audited financial results for quarter ended 31st March 2024

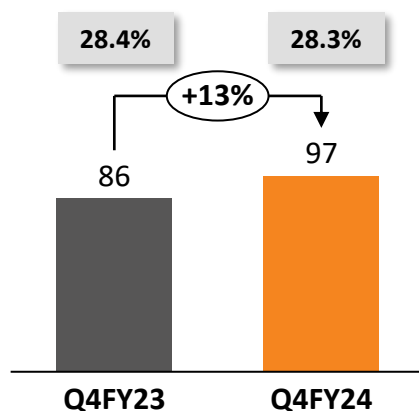
The Board has recommended final dividend of Rs.4 per Equity Share of the Face Value of Rs. 2/- each fully paid-up, for the financial year 2023-24

Financial Highlights (in Rs. Crs)

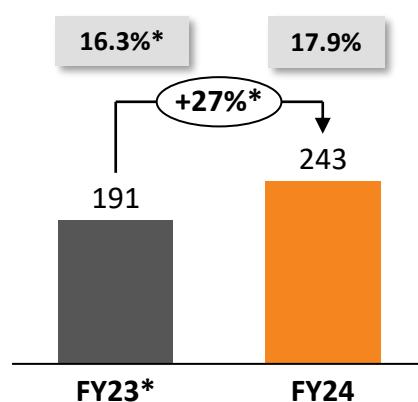
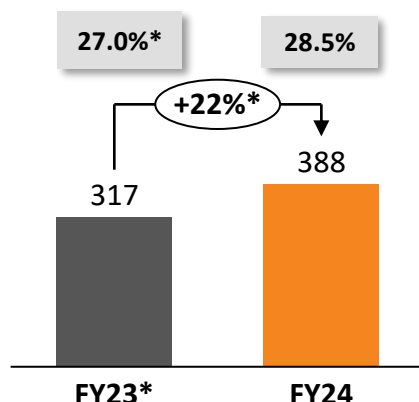
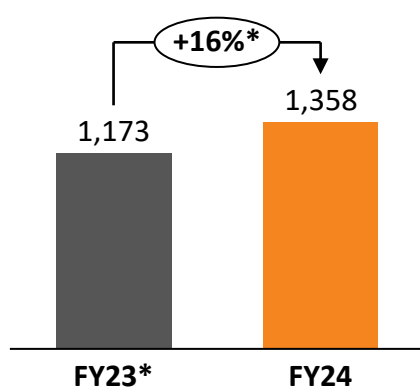
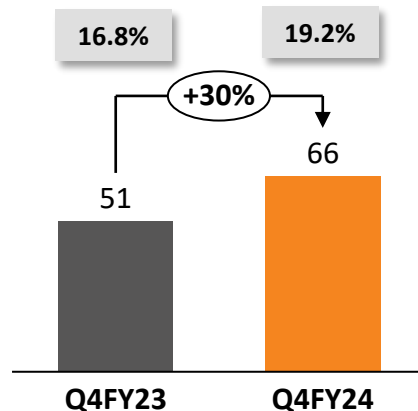
REVENUE FROM OPERATIONS



EBIDTA & EBITDA%



PAT & PAT%



* In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. FY23 numbers, margins and YoY growth shown in above chart is after adjusting for this prior period income. Reported Revenue, EBITDA and PAT for FY23 was Rs. 1,197 Cr., Rs. 341 Cr. and Rs. 209 cr. respectively and EBITDA margin and PAT margin were 28.5% and 17.4% respectively

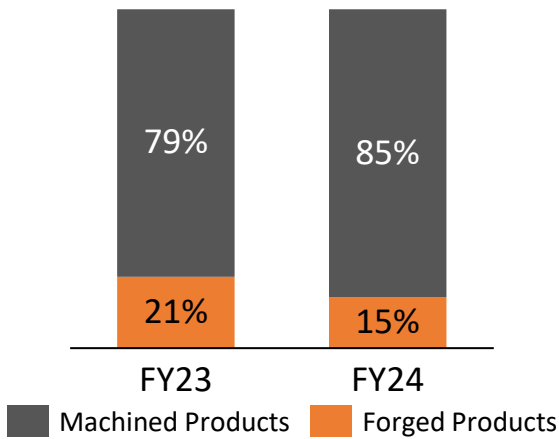
Return Ratios	FY23	FY24
RoE %	23.5%	20.6%**
RoCE %	25.7%	26.9%**
Fixed Assets Turnover [^]	1.4	1.3
Net Debt /EBITDA	0.6	0.1

** RoE for FY24 after adjusting for FDRs and post-tax interest thereon was 20.6% and ROCE for FY24 after adjusting for FDRs and interest thereon, capital advances and CWIP was 26.9%

[^] Computed on Gross Block

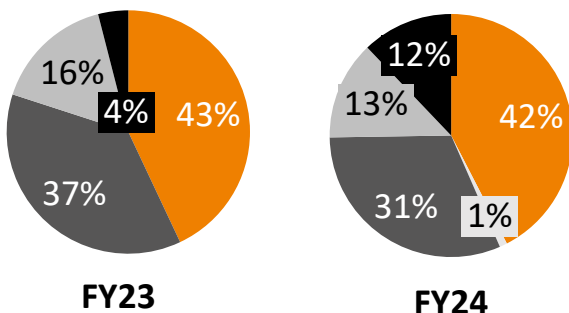


PRODUCT MIX



- Contribution of machined products (that have higher realization and margins) increased from 79% to 85%
- Growing demand for value added components backed by increasing industrial revenue mix resulted a growth in machined products

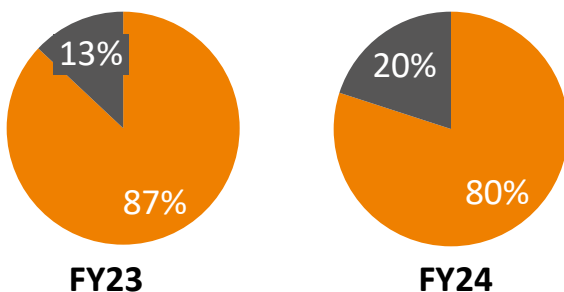
SEGMENT MIX



- Increase in segment mix towards Industrial products have helped in margin expansion
- Share of Industrials business increased from 4% to 12% leading to a further diversification of the business to non-auto segments



GEOGRAPHY MIX



- Exports share increased from 13% to 20% thereby insulating the business from slower industry growth in the domestic market



Commenting on the results, **Mr. Ashish Garg, Managing Director** said,

“We closed FY24 on a positive note registering growth, margin improvement and further diversification of our revenue streams despite slowdown in key industry segments and the Red Sea crisis. We achieved 16% growth in revenues for FY24 driven by exports and industrials business segment.

Margins and profits grew substantially on YoY basis in FY24 as share of machined product sales increased from 79% to 85% of sales and together with favorable change in business mix, helped us improve our gross margins by ~3% and EBITDA margin by ~1.5%. Gross Margin stood at 56.1% and EBITDA improved to 28.5% despite increase in ESOP related costs and export freight costs. These margin improvements helped us achieve 22% growth in EBITDA and 27% growth in PAT on a YoY basis in FY24.

Revenue segment diversification continued as we marked an entry into the Passenger Vehicles segment in both domestic and export market in FY24. With recent order wins in this segment, we demonstrated our ability to expand our wallet share from existing customers, giving us good visibility to achieve the targeted contribution to sales from this segment in the next 2 years. We also witnessed a significant increase in the share of industrial segment from 4% to 12% and exports from 13% to 20% of revenues in FY24.

We continue to expand capacities and planned additions in forging and machining capacities are on track. Our balance sheet strength provides us the flexibility to capitalize on growth opportunities and further improve our returns profile as we deploy capital. The Board has recommended a dividend of Rs. 4 per share for FY24 which effectively means a payout of ~16%.

Looking ahead, we are confident in our ability to sustain this positive momentum and drive further growth and profitability and hope that improvement in underlying business segments will trigger additional growth.”



About Happy Forgings Limited

The Company is one of the largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in India in terms of forgings capacity. The Company through its vertically integrated operations is engaged in engineering, process design, testing, manufacturing, and supply of a variety of components that are both margin accretive and value-additive. The Company primarily caters to domestic and global original equipment manufacturers (“OEMs”) manufacturing commercial vehicles in the automotive sector, while in the non-automotive sector, caters to manufacturers of farm equipment, off-highway vehicles and manufacturers of industrial equipment and machinery for oil and gas, power generation, railways and wind turbine industries.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

Company :



HAPPY FORGINGS LIMITED

CIN: L28910PB1979PLC004008

Mr. Vikas Thakur

E: investor.relations@happyforgingsltd.co.in

T: +91 99159 51913

www.happyforgingsltd.com

Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Ami Parekh / Chaitanya Satwe

ami.parekh@sgapl.net / chaitanya.satwe@sgapl.net

+91 80824 66052 / +91 9320006669

www.sgapl.net